

Exhibit No. 1
Notice of Public Hearing for
County Service Area No. 10A (Cayucos)

May 8, 2012

Property Owner
Street Address
City, CA Zip

Subject: Notice of Public Hearing to Terminate the Existing Water Shortage Emergency and adopt a Policy for Issuance of Water Service Will-Serves:

Dear Property Owner and/or Water Customer within CSA 10A:

On March 23, 1993, the San Luis Obispo County Board of Supervisors executed Resolution No. 93-141, "Resolution Declaring a Water Shortage Emergency Condition in San Luis Obispo County Waterworks District No. 8" (now CSA 10A). Resolution No. 93-141 was a response to a Cayucos Area Water Organization (CAWO) Water Management Plan that recommended limiting the amount of water service will-serves issued in subsequent years. The limitation was based on uncertainty as to the actual number of new customers that could be provided water service without impacting the water being supplied to existing customers. In addition, the Board adopted a policy for the issuance of water service will-serve letters during the water shortage emergency, thereby limiting the number of will-serve letters that could be issued in any given year. Approximately 190 water will-serves have been issued since the Board's action in 1993.

On October 24, 2006, CSA 10A entered into an agreement to obtain 25 acre-feet per year of water from the Nacimiento Water Project. Also on October 24, 2006, CSA 10 entered into an agreement with the City of San Luis Obispo for the exchange of up to 160 acre-feet per year of Whale Rock Reservoir water for up to 160 acre-feet per year of Nacimiento Project Water. Now that the Nacimiento Water Project has been constructed, CSA 10A has determined that it has adequate water to meet its anticipated future water demands including buildout of CSA 10A.

Accordingly, a public hearing will be held on May 22, 2012, in the San Luis Obispo County Board of Supervisors Chambers, 1055 Monterey Street, San Luis Obispo, CA 93408, for the purpose of considering a Resolution terminating the existing Water Shortage Emergency and removing limitations for the issuance of CSA 10A water service will-serve letters.

All hearing items are scheduled for 9:00 a.m. To determine the placement of this item on the agenda, the agenda can be viewed the Wednesday afternoon before the scheduled hearing date on the internet at www.slocounty.ca.gov or in paper form in Room D430 of the County Government Center.

WHY AM I RECEIVING THIS NOTICE LETTER?

The California Water Code Section 355 requires that notice of the subject hearing be provided at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the water supply is distributed. Notice of the hearing will be published in the San Luis Obispo Tribune and in addition, due to the high level of public interest in this matter, copies of this notice are being sent to all property owners and tenants in CSA 10A.

WHEN WILL THE PROPOSED CHANGES GO INTO EFFECT?

The proposed changes will go into effect 30 days from the day of the hearing, provided that the Board of Supervisors approves the requested action.

WILL THE PROPOSED CHANGES HAVE ANY AFFECT ON MY WATER RATES?

The proposed changes will not affect water rates as there are no proposed changes to the current water rates.

WHAT IS THE PURPOSE OF THE PROPOSED ACTIONS?

To terminate the existing Water Shortage Emergency that was declared by the Board of Supervisors on March 23, 1993, that established the formation of a water service waiting list and restricted the issuance of water service will-serve letters in CSA 10A.

If the Board of Supervisors approves the requested action, CSA 10A will be able to issue water service will-serve letters on demand.

Questions regarding the Planning and Building Allocation process should be directed to the County Department of Planning and Building at (805) 781-5600.

HOW DO I COMMENT ON THE PROPOSED NEW POLICIES?

Either submit a written letter or attend the Board of Supervisors hearing on May 22, 2012. Written comments can be sent to the County Department of Public Works, Room 207, County Government Center, San Luis Obispo, California, 93408, Attention: Douglas Bird.

HOW CAN I GET MORE INFORMATION?

If you wish to contact me you can do so at (805) 781-5116 or via e-mail at dbird@co.slo.ca.us.

Sincerely,

Douglas C. Bird
Hydraulic Operations Administrator

File: CF 320.420.02 CSA 10A

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